THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) There is no Central Legislation which provides for waver of Municipal Taxes on Central Government properties located in the States. However, Article 285(1) of the Constitution provides that the property of the Union shall, save in so far as Parliament may by law otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State. Such properties are, however, subject to payment of service charges to the local bodies for the services availed. There is no proposal under consideration of the Union Government for amending Article 285(1) of the Constitution.

Violation of FERA

5422. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate has arrested some persons for FERA violations in connection with the match fixing scandal;

(b) if so, the details of persons arrested and the total amount likely to be involved in such violations; and

(c) the steps taken by Government to check such FERA violations and Hawala transactions in sucrr match fixing scandals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes, Sir.

(b) S/Shri Rajesh Kalra and Kishan Kumar have been arrested. As the investigation is at an initial stage, the amount involved cannot be quantified.

(c) The Enforcement Directorate takes action as is provided under the provisions of Foreign Exchange Regulation Act, 1973, against those whose complicity is established after conclusion of the investigations.

Inspections of Peerless General Finance and Investment Company Ltd.

5423. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has laid down any regulatory .framework to monitor the functioning of the Residuary Non-Banking financial institutions having access to public deposits;

(b) if so, whether periodic inspection are conducted to scrutinise the accounting standards, asset classification, prudential norms etc. in respect of such institutiohs; and

(c) the latest inspection carried out by the Reserve Bank of India on the Peerless General Finance and Investment Company Ltd. togetherwith the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Yes, Sir.

(c) The latest inspection carried out by the Reserve Bank of India revealed that the company complied with the core-provisions of the directions of RBI to Residuary Non-Banking Companies. However, the company had not yet made adequate provisions against non-performing assets although it has not recognized income on such assets as per the provisions of the directions. The financial position of the company has shown improvement over the last few years but the net owned funds, as defined in the RBI Act, continued to be negative even though discernible improvement has been noticed since the last inspection.

RBI guidelines on investment norms of RNBFCs

5424. SHRI KARNENDU BHATTACHARJEE:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of the guidelines issued by the Reserve Bank of India (RBI) regarding the manner in which, funds of the Residuary Non-Banking Companies should be invested;

(b) whether it is a fact that Peerless General Finance and Investment Company Ltd. has not been following this investment pattern; and

(c) if so, the steps taken to compel the company to fall in line with investment norms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) (a) For the purpose of safeguarding depositors' interest, the Residuary Non-Banking Companies are enjoined upon to invest at lest 80 per cent of their deposit liabilities in the securities as per the prescribed